



POSTAL REGULATORY COMMISSION

[Docket No. CP2013-54; Order No. 1681]

Negotiated Service Agreement

AGENCY: Postal Regulatory Commission.

ACTION: Notice

SUMMARY: The Commission is noticing a recent Postal Service filing concerning a promotional program involving a temporary change in rates of general applicability for Global Express Guaranteed. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* April 1, 2013.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the FOR FURTHER INFORMATION CONTACT section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

Introduction. On March 20, 2013, the Postal Service, pursuant to 39 CFR 3015.2, filed notice with the Commission addressing a promotional program involving a temporary change in rates of general applicability for Global Express Guaranteed (2013 GXG Promotion).¹

The Notice, in conformance with Commission rules 3015.2(b) and 3015.3(b), includes an explanation and justification for the change; identifies the effective date and duration of the 2013 GXG Promotion; and presents a schedule of the changed rates. *Id.* at 2. Attachment 1 presents proposed Mail Classification Schedule language addressing the 2013 GXG Promotion. *Id.* Attachment 1. Attachment 2 is the certified statement regarding prices required by Commission rule 3015.3(c)(3). *Id.* Attachment 2. Attachment 3 is an Application for Non-Public Treatment of Materials filed under seal. *Id.* Attachment 3. The sealed materials include the discounted promotional rates for GXG and additional supporting documentation, including financial workpapers that detail resulting revenue effects. *Id.* at 3. The Postal Service also filed redacted versions of the sealed materials. *Id.*

¹ United States Postal Service Notice of Promotional Rates for Global Express Guaranteed Service, March 20, 2013 (Notice).

Authority to offer discounts. The Postal Service states that Governors' Decision No. 12-02, issued September 13, 2012, provides that the Postal Service may offer one or more promotions in the form of a discount or rebate on certain GXG and EMI (Express Mail International) items, during an established promotional period, to mailers that comply with the promotional program's eligibility requirements. Notice at 2. (Footnote omitted.) It further states that the Commission has acknowledged that the Postal Service would be filing potential promotions and that appropriate language will be added to the draft MCS once the Commission reviews and approves particular promotions. *Id.* (Footnote omitted.)

Description and justification. In Docket No. CP2013-3, the Postal Service provided notice of changes in rates of general applicability and of corresponding classification changes for competitive products, including GXG. *Id.* at 1-2. The 2013 GXG Promotion will provide certain eligible mailers with a discount on GXG during the promotional period, which begins April 29, 2013 and extends, at the latest, to June 1, 2013, through a decrease off the applicable Commercial Base or Commercial Plus price for GXG items for existing customers using Global Shipping Software (GSS). *Id.* at 3. The Postal Service states that the purpose is to increase interest in GXG service among businesses by offering a promotional sale, and that it is designed to stimulate volume growth and provide customers with an incentive to use GXG. *Id.*

Additional terms. The following terms and conditions also apply:

- the promotion is only applicable to Postal Service customers with a GSS account during the promotion period;
- no registration is required;
- the promotion is not valid with any other USPS promotion, and excludes GSS customers that have a Global Expedited Package Services Contract, a Global Plus Contract, a Global Reseller Expedited Package Contract, or a Global Expedited Package Services–Non-Published Rates Contract;
- all other standards in International Mail Manual section 210 apply;
- the discount does not apply to optional insurance coverage in excess of \$100;
- the promotional discount is limited to the equivalent of \$10,000 in total discounts for Commercial Base and Commercial Plus postage for Global Express Guaranteed items per GSS account holder during the promotion period;
- customers may opt out of the promotion by contacting GSS customer support directly; and
- the Postal Service reserves the right, without prior notice, to end the promotion before June 1, 2013 and to make changes to the promotion

(except for changes that affect the percentage discount offered under the promotion).

Id. at 3-4.

Customer notification. The Postal Service states that once the Commission completes its review of the 2013 GXG Promotion, eligible customers will be notified about the promotion, participation, and applicable terms and conditions by email. *Id.* at 4-5.

Revenue effects and reporting. The Postal Service states that financial workpapers provide estimates of the financial impact of the 2013 GXG Promotion. *Id.* at 5. It further states that GXG prices combined with the rates in the 2013 GXG Promotion are in compliance with 39 U.S.C. 3633. *Id.* The Postal Service states that it intends to report revenue for GXG published rates through the Annual Compliance Report, and therefore proposes that the Commission create no special report requirement concerning the 2013 GXG Promotion. *Id.*

Initial Commission action. The Commission hereby provides notice of the Postal Service's filing concerning the 2013 GXG Promotion and the establishment of related Docket No. CP2013-54. The Commission invites interested persons to express views and offer comments on whether the planned changes are consistent with 39 U.S.C. 3633. Comments are due no later than April 1, 2013.

Pursuant to 39 U.S.C. 505, the Commission appoints Kenneth R. Moeller to serve as officer of the Commission (Public Representative) to represent the interests of the general public in the above-captioned docket.

It is ordered:

1. The Commission establishes Docket No. CP2013-54 to provide interested persons an opportunity to express views and offer comments on whether the planned changes are consistent with the policies of 39 U.S.C. 3633 or 3642.

2. Comments are due no later than April 1, 2013.

3. The Commission appoints Kenneth R. Moeller as Public Representative to represent the interests of the general public in this proceeding.

4. The Secretary shall arrange for publication of this Notice in the *Federal Register*.

By the Commission.

Shoshana M. Grove,

Secretary.